

**TOWN OF EAST HAMPTON  
AGENDA REPORT**

Town Manager Approval: \_\_\_\_\_

*JH*

Item to be presented by: James Carey

DATE: July 13, 2010

SUBJECT: Amendment to Planning & Zoning fees

DEPARTMENT: Building/Planning/Zoning/

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**RECOMMENDED ACTION**

Amend fee schedule to include all multi-family developments on a per unit basis. It is recommended that the relevant section of the schedule read as follows; "Application for multi-family, Active Adult and HOD \_\_\_\_\_ \$1000.00 plus the sum of \$100.00/Unit. (attached is the present fee schedule.)"

**BACKGROUND** The Town Council per Ordinance 8-29 has the authority to amend the fees charged by the Planning & Zoning Commission. When last amended, multi-family and HOD (Housing opportunity Developments) were not allowed. The existing fee schedule states, "Application for Active Adult, etc. " We have relied on the etc. to cover HOD applications in the past, but we were recently challenged that the fee did not apply because HOD is not specifically referenced. The proposed amendment provides the clarification.

**Fee schedule.**

**[Amended 8-29-1986**

*Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).*

**I]**  
A schedule of fees for land use applications of the Town of East Hampton shall be set from time to time by the Town Council for the following:

- A.  
Applications to the Inland/Wetland Agency.
- B.  
Applications to the Zoning Board of Appeals.
- C.  
Applications seeking site plan approval or the granting of a special permit.
- D.  
Applications seeking a special permit for an apartment complex.
- E.

**AGENDA ITEM:** \_\_\_\_\_

*4A*

Applications seeking approval of a subdivision plan.

F.

Other applications to the Planning and Zoning Commission.

G.

Applications to the Middle Haddam Historic District Commission.

ALTERNATIVE ACTIONS

Other direction as determined by Town Council.

None available at this time

FISCAL IMPACT

None

EH: Clerks Office

**AGENDA ITEM:**\_\_\_\_\_

## PLANNING AND ZONING FEE SCHEDULE

Note: Each application requires an additional ~~\$40~~ fee to be submitted to the State  
(effective 7/04)

\$40.00

### SUBDIVISION APPLICATION & CONSERVATION SUBDIVISION

No. of lots \_\_\_\_\_  
A fee of \$500 plus the sum of \_\_\_\_\_ \$ 150/ lot  
1-5 lots \_\_\_\_\_ \$ 150/ lot

Plus a developer's fee of 3% of the bond filed for subdivisions requiring public improvements  
to be paid at the time bonds are filed with the Town and prior to any construction

### SITE PLAN REVIEW

Residential/Commercial \_\_\_\_\_ \$ 150

Commercial, Industrial, Designed Development: Calculated by total sq ft of impervious surface  
New Construction

Square Feet \_\_\_\_\_  
Less than 3000 Sq Ft \_\_\_\_\_ \$ 150  
3001 to 5,000 Sq Ft \_\_\_\_\_ \$ 250  
5001 to 10,000 Sq ft \_\_\_\_\_ \$ 600  
10,001 to 15,000 Sq ft \_\_\_\_\_ \$ 1100  
For every additional 5000 Sq Ft \_\_\_\_\_ \$ 500

### SPECIAL PERMIT

Special Permit \_\_\_\_\_ \$ 150

Commercial, Industrial, Designed Development: Calculated by total sq ft of impervious surface  
New Construction

Square Feet \_\_\_\_\_  
Less than 3000 Sq Ft \_\_\_\_\_ \$ 150  
Less than 5000Sq Ft \_\_\_\_\_ \$ 300  
5001 to 10,000 Sq Ft \_\_\_\_\_ \$ 600  
10,001 to 15,000Sq Ft \_\_\_\_\_ \$ 1100  
For every additional 5000 Sq FT \_\_\_\_\_ \$ 500  
For Special Permits involving Commercial Properties fees increase by \$50

### SITE PLAN MODIFICATION

Minor Amendment \_\_\_\_\_ \$ 50  
Major Amendment \_\_\_\_\_ \$ 100

ZONING OR SUBDIVISION REGULATION TEXT CHANGE \_\_\_\_\_ \$ 300

CHANGE IN ZONING MAP \_\_\_\_\_ \$ 500

LAKE POCOTOPAUG PROTECTION AREA \_\_\_\_\_ \$ 75

APPLICATION FOR ACTIVE ADULT ETC \_\_\_\_\_ \$ 1000

Number of unit's \_\_\_\_\_  
Plus the sum of \_\_\_\_\_ \$100/unit

Total \_\_\_\_\_

**TOWN OF EAST HAMPTON  
AGENDA REPORT**

Town Manager Approval: \_\_\_\_\_

*JJK*

Item presented by: \_\_\_\_\_

Jeffery J. O'Keefe

DATE: July 13, 2010

SUBJECT: Update on Negotiations for Goff House Purchase

DEPARTMENT: Town Managers Office

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RECOMMENDED ACTION

Discuss work to date on the negotiations for the purchase of the Goff House

BACKGROUND

At the last council meeting council members directed Town staff to look into the opportunities that would be available to purchase the Goff House for the relocation of the Town Annex functions.

Attached is the list of some of the considerations the Board of Directors of the Goff House are asking the Town to consider with this purchase. The total purchase price for the Goff House would be \$150,000 plus some other incidental costs (not to exceed an amount of \$5,000.00) for equipment that the Goff House owns, such as tables, chairs, snow blowers, etc.

A title search is being conducted by the Town Attorney and research is being conducted to insure that the portion of the Goff House that was paid for by grant funds would not have to be paid back. In addition, the Town Attorney is working on a purchase agreement and a lease agreement for the Goff House for the continued use of the museum portion of the Goff House. Ultimately the purchase agreement would need to be approved by the Board of Finance, Town Council and ultimately at a Town Meeting.

Town staff visited the property on Thursday July 8, 2010 to be certain it would meet their needs.

ALTERNATIVE ACTIONS

Other direction as determined by Town Council.

FISCAL IMPACT

\$150,000 to be appropriated from the general fund, after approval from BOF, Town Council and Town Meeting.

EH: Clerks Office

AGENDA ITEM: \_\_\_\_\_

*4B*

Meeting to Discuss Sale of Goff House to Town of East Hampton

1. Expected closing date \_\_\_\_\_
2. Agreement to commence work in anticipation of closing (rental subject to purchase)
3. Final price – other considerations
  - a. Value of tables and chairs \$3,000
  - b. Other equipment – snow blower, \_\_\_\_\_
  - c. New revenue stream to Town for Park & Recreation or other programs
4. The Goff House will finish the main steps from the parking lot to the front of the building
5. Sale price shall include retention of the museum space as well as use of storage space in the basement level under the museum by the Joseph N. Goff House, Inc. under terms of a ninety-nine year (or reasonably prudent term) lease at an annual rental cost of one dollar (\$1) and other shared operating costs as appropriate
6. Purchase agreement with the Town shall have suitable provision to hold harmless corporation, the Joseph N. Goff House, Inc, and/or its Officers and Directors, of any recourse by the State of Connecticut, the Connecticut Department of Economic and Community Development, or the Middlesex County Revitalization Commission for recovery of grants previously awarded and given the Joseph N. Goff House, Inc. for the construction and development of the Museum, Great Hall and its other facilities.
7. Easement with Schrager's for encroachment of air conditioning unit (since 1970s)?
8. No restrictions or limitations for the use of alcohol at functions
9. Maintenance of the Great Hall for community meetings, performances, weddings, showers, concerts, activities, etc. – No restrictions on charging rental fees.
10. Joseph N. Goff house would be entitled to use, without charge, of the Great Hall (and grounds) for two weekends annually
11. Goff House members and guests would have access and use to rest rooms / lavatories or designated lavatory facility (i.e. – lower level under Great Hall)
12. Tenant will vacate by \_\_\_\_\_
13. Town would honor all people and groups who have reserved the Great Hall for functions or activities. This list to be provided \_\_\_\_\_
14. Allow the Goff House to permanently display (over the westerly windows in Great Hall) recognition board / plaques honoring (1) contributors to the project, (2) annual / periodic community service award recognition by Goff House [named in honor of Gov. O'Neill / Alan Battit and or others]
15. No restrictions for Goff House to assist in maintaining exterior plantings.

7/7/2010




Goff House  
Rental & Use Fees  
Fiscal Years Ended June 30,

	2008	2009	2010
July	\$ 660	\$ 1,137	
August	\$ 814	\$ 710	
Sept	\$ 885	\$ 683	
Oct	\$ 691	\$ 1,040	
Nov	\$ 1,301	\$ 1,437	
Dec	\$ 1,110	\$ 1,974	
Jan	\$ 635	\$ 1,175	
Feb	\$ 830	\$ 1,075	
March	\$ 1,581	\$ 2,475	
April	\$ 960	\$ 300	
May	\$ 1,111	\$ 1,650	
June	\$ 735	\$ 1,950	
	\$ 8,207	\$ 11,313	\$ 15,606

2011

20,000 +

**TOWN OF EAST HAMPTON  
AGENDA REPORT**

Town Manager Approval: 

Item presented by: Jeffery J. O'Keefe

DATE: July 13, 2010

SUBJECT: Employee Handbook

DEPARTMENT: Town Managers Office

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RECOMMENDED ACTION

Discuss and adopt the Town's "Employee Handbook" for Town Employees

BACKGROUND

The Town's "Employee Handbook" is ready for review and adoption by Town Council.

An employee handbook is the most important communication tool for employees. We believe a well-written handbook sets forth expectations for employees as well as describes what they can expect from the Town and being that our handbook is so dated, we want be sure that all areas are covered.

I would like to publicly thank human resource manager, Lisa Seymour for all of the hard and diligent work she has put into making this document a reality. The document has been reviewed by the Towns Labor Attorney.

ALTERNATIVE ACTIONS

Other direction as determined by Town Council.

FISCAL IMPACT

None at this time.

EH: Clerks Office

AGENDA ITEM: 4C

**TOWN OF EAST HAMPTON  
AGENDA REPORT**

Town Manager Approval: \_\_\_\_\_

*JOK*

Item to be presented by: Rich Norkun, NTF Chairperson; supported by town staff: Matthew A. Reimondo, Police Chief, and Ruth G. Plummer, Parks and Recreation Director

DATE: July 13, 2010

SUBJECT: Navigational Ordinance Task Force Report (NTF)

DEPARTMENT: Police Department and Parks and Recreation Department, NTF Members: Chairperson, Rich Norkun; Joe Carbonell; Mike Brogan; Andy Tierney; Jim Dicaprio; Jim Morris; John Tuttle; Jeff O'Keefe; Ruth G Plummer; Chief Matt Reimondo; Sgt. Tim Dowty  
Consultants from Department of Environmental Protection Boating Division: Tim Delgado and Eleanor Mariani.

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RECOMMENDED ACTION

Town Council review NTF findings and act on recommendations outlined below. Schedule The Public hearing date for proposed changes to the Ordinance. If accepted by council, the Ordinance changes need to be approved by the DEP Commissioner. Disband the Navigational Task Force

BACKGROUND

NTF was created by Town Council to review existing Navigational Ordinance and determine what can be done to address concerns about loud boats on Lake Pocotopaug.

**Findings:** The existing Navigational Ordinance is very good. The task force looked into changing the ordinance to address concerns about loud boats and noise, but the DEP would not support such changes. An increased enforcement effort of existing speed limit is necessary and needs to be properly funded.

- **Consultations with DEP staff and Ruth Plummer:** DEPBD suggested we consider controls on hours of operations for all boats aka Operational Constraints. Basically they would support quiet hours and recommended Sunday afternoons. There were several items that DEP would not support. (See Attached A)
- **NTF did not have a consensus on recommending of Quiet hours to Town Council.** 5 members were NOT in favor; 2 members were in favor. (5-2)
- **Recommendations:**
  1. Make several minor changes in wording intended to update the ordinance. (See Attached B)
  2. Improve enforcement efforts through increased funding of Lake Pocotopaug Patrol via Police Department budget. (See Attached item C)
  3. Improve efforts to consistently check for Sears Park stickers for longer than the current 8 – 10 weeks through increased funding needed to 'staff' Sears

AGENDA ITEM: \_\_\_\_\_

*5A*



Park boat launch via the Parks and Recreation Department budget. (See Attached C)

4. Implement and fund a "Safe Boating" campaign through signs placed at public and private (associations) boat launches that condense the Navigational Ordinance. (See Attachment D.) Also provide flyers with the sales of Sears Park Stickers each year. The group steered away from supporting operational constraints. The discussions supported enforcement, signage, education and press releases, public relations around the lake inform boaters of existing ordinances.

#### ALTERNATIVE ACTIONS

#### FISCAL IMPACT

Increases in operating budgets for Parks and Recreation

Increase in operating and capital budgets for Police Department

EH: Clerks Office

AGENDA ITEM:\_\_\_\_\_

#### § 173-1 Boats on Lake Pocotopaug.

- Close
- Print
- Basic View

The following regulations are adopted by the Town Council in addition to the state and federal acts concerning boats.

#### § 173-2 Vessels with built-in toilet systems.

Vessels with built-in toilet systems that are capable of overboard (INSERT) sewage discharge shall not be allowed in or on the lake at any time. (ADD) Vessels with portable toilets systems shall not discharge sewage into the lake.

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#### § 173-3 Speed limits.

A.

No person shall operate any vessel powered in whole or in part by a motor between 1/2 hour after sunset and 7:00 a.m. at a speed in excess (REMOVE) of six miles per hour (CHANGE TO) Slow-No-Wake.

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B.

No person shall operate a vessel at a speed to exceed (REMOVE) six miles per hour (CHANGE TO) Slow-No-Wake within 200 feet of shore, or a dock, pier, float, or anchored or moored vessel unless taking off with a water skier.

Deleted:

#### § 173-4 Beaching of vessels.

The permanent beaching of any vessel at any public or community beach except for emergency use is hereby prohibited. The term "permanent" shall be defined as exceeding a twenty-four-hour period.

#### § 173-5 Swimming restrictions.

No person using the lake for swimming or public bathing shall act recklessly or negligently (INSERT) or in such a manner that the safety of any person, including himself, shall be endangered (INSERT) (REMOVE) nor (CHANGE TO) No person shall swim beyond 100 feet from shore or a raft or mooring without a manned (REMOVE) surface craft (CHANGE TO) vessel in close and constant attendance (ADD) and maintaining line of sight.

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All persons using flotation devices such as life preservers, (except water skiers), inner tubes, air mattresses, inflatable toys, etc. shall be considered swimmers and shall abide by these regulations. (CHANGE TO) All persons using inner tubes, air mattresses, inflatable toys, etc., or floating or swimming with the aid of flotation devices including life preservers (except water skiers), shall be considered swimmers and shall abide by these regulations.

(ADD) This section shall not apply to law enforcement or emergency personnel while such personnel are engaged in the performance of their official duties in connection with law enforcement, an emergency, or in connection with training thereof.



**§ 173-6 Washing or bathing.**

The washing or bathing of any person or animal with soap or detergent in the lake is hereby prohibited.

**§ 173-7 Garbage and litter.**

Use of the lake either from the shore or from any vessel for the discard of papers, cans, bottles, grass cuttings, leaves, wood, lumber or any litter whatever is expressly prohibited.

**§ 173-8 Floats and moorings.**

A.

All floats, moorings or other anchored personal property shall be confined within the bounds of:

(1)

One hundred feet or less from the shoreline; and

(2)

The area in front of the property owner's lot that is bounded by lines that bisect the angles formed by the frontage closure line. A frontage closure line is a straight line between the two points where property lines meet the shoreline.

B.

A property owner may give permission to other persons to install such moorings, provided the moorings are within the property owner's bounds as described above.

C.

A property owner may request special permission from the Police Department to install a mooring beyond 100 feet if necessitated by water depths or other obstructions.

**§ 173-9 Maximum speed on Lake Pocotopaug.**

The maximum speed limit on Lake Pocotopaug shall be 40 miles per hour (INSERT) from 7:00 a.m. until ½ hour past sunset.

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**§ 173-10 Speed in proximity to other vessels.**

Motor boats are prohibited from coming within 50 feet of all other vessels in excess of (REMOVE) six miles per hour (CHANGE TO) Slow-No-Wake. In case of a violation, the burdened or giveaway vessel shall be cited.

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**§ 173-11 Motor coverings.**

During normal operation, except for maintenance purposes, all motors must be complete with (INSERT) their proper cover, so as to muffle sound and prevent bodily injury from moving parts.

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#### § 173-12 Towing of water skiers and others.

A.

The maximum number of water-skiers to be towed by a motorboat is two at any one time.

B.

The launching into the air of persons over Lake Pocotopaug through towing by a vessel is prohibited. (INSERT) J.E. PARASAILS AND KITES.

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#### § 173-13 Rafts for water skiing.

The installation or use of any raft or other structure for the purpose of water ski jumping or other use by water skiers in motion is prohibited. This section shall not apply to organized programs approved or permitted by the Town of East Hampton.

#### § 173-14 Operation of snowmobiles.

A.

No person shall operate a snowmobile on the public frozen waters of Lake Pocotopaug from 1/2 hour after sunset until 7:00 a.m.

B.

As used in this section, the following terms shall have the meanings indicated:

**OPERATE**

To control the course of or otherwise use a snowmobile.

**SNOWMOBILE**

Any self-propelled vehicle designed for travel on ice or snow except vehicles propelled by sail.

#### § 173-15 Penalties for offenses.

Any person failing to observe any or all of these regulations shall be guilty of not less than an infraction and shall be fined (REMOVE), \$60 (CHANGE TO) MAXIMUM FINE ALLOWED for each infraction.

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#### § 173-16 Buoys to mark dangerous lake conditions.

The Town of East Hampton may, from time to time, endeavor to mark buoys to indicate dangerous or rocky lake conditions. Should the Town determine to so mark buoys, a map of marked buoys will be available from the office of the Town Clerk during regular business hours. The marking of buoys, if performed by the Town, is a courtesy only. In no event shall the Town assume any responsibility or liability for personal injury or property damage caused by the marking of or failure to mark buoys.

#### § 173-17 When effective.

This chapter shall take effect 20 days after publication provided it is approved by the State Department of Environmental Protection pursuant to the State Boating Act.



**Police Department Projected budget for increased enforcement on Lake Pocotopaug**

20 weeks X 2 days /week =40days

3 holidays ( 4<sup>th</sup> July Labor Day, & Memorial Day)=43 days of patrol X 8 hrs/ day = 344hrs at

\$30.00 / hr = \$ 10,320.00

\$4000.00 Maintenance costs with boat / \$35000.00 new patrol/ fire/rescue boat

**Estimated \$14,320.00 current boat                      \$45320.00 w/ new boat**

**Parks and Recreation Department's Projected budget for year round staffing of Sears Park  
(Park attendants)**

(Current seasonal coverage 82 days x 12 hours \$9.68 / hr = \$10,000 approximate)

52 weeks x 7 days /week = 365 days

365 x 12 hours (two 6 hour shifts) 4368 hrs at

\$9.68 / hr = \$42398.40

Insulate and add heat to gate house: \$3000.00

**\$45398.00 (Estimated increase \$35000.00)**

## Boat Launches -- Signage (draft)

# Welcome to Lake Pocotopaug

Please be a courteous, safe boater  
and observe the following regulations from:  
**Boating and Navigation Ordinance, Chapter 173,  
Town of East Hampton, CT**

### **Speed Limits**

½ hour past SUNSET until 7:00AM: maximum speed is Slow-No Wake

7:00AM until ½ hour past SUNSET: maximum speed is 40 MPH

When within 50 FT of all other vessels: maximum speed is Slow-No Wake

### **Towing of Water Skiers and Others**

Maximum towing: 2 persons at one time per vessel

### **Boat Sewage**

NO discharge of sewage is permitted into Lake

### **Boat Launch**

NO power loading vessels. Power loading damages boat launches.

### **Operation of Snowmobiles**

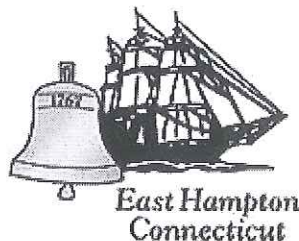
NO snowmobiles allowed on public frozen waters ½ hour past SUNSET until 7:00AM

### **Penalties for Offenses**

Violators of any of these regulations shall be charged the maximum fine for each infraction. See details in Chapter 173 Regulations at [www.easthamptonct.org/Pages/EastHamptonCT\\_Clerk/index](http://www.easthamptonct.org/Pages/EastHamptonCT_Clerk/index).

### **DEP Boat Inspection/Vegetation Regulations**

Per Public Acts 03-136, 04-203: it is unlawful to transport invasive vegetation from one body of water to another. Inspect your vessel, trailer, and live-well. Properly remove/dispose of before transporting the vessel. Failure to comply can result in fines of \$100.



## ATTACHEMENT A

Notes from Ruth Plummer's conversation with Tim Delgado of DEP Boating Division:

- The DEP hasn't allowed anyone create noise ordinances other than those enforced by federal law.
- He asked if the local PD was trained in noise enforcement
- Commissioner has right to final say on any local ordinance passed
- Regardless of what you come up with you'll have to enforce it
- Speed Limits would be supported but admitted it is hard to enforce
- They would not support muffled exhaust ordinances
- Would not support ban on any specific type of vehicle. i.e. jet skis, drag boats
- Any ordinance should not effect vessels other vessels unintentionally i.e.
  - Prohibiting boats over a certain footage could impact pontoon boats
  - Requiring muffled exhaust would impact antique steam engine
- Would support HP restrictions but that too is hard to enforce with inboard motors
  - An outboard has the HP printed right on the side. Its not as easy to have a boater lift the hull and determine the hp of his inboard motor

Operational constraints are the best bet

- With that said, a lot of the ordinances on the books would no longer be supported by DEP
- Suggested we consider control on hours of operation for all boats i.e.
  - Columbia Lake 281 acres
    - Two skiers per boat max. ... no racing, wake jumping or figure 8. Operation of internal combustion engines (electric only) forbidden 10pm to 7 am, April 1 to September 30; then 6p to 8a Oct. 1 to March 31. Operation of outboard motors over 80 hp or Inboard motor over 150 hp forbidden (outboards can tip up motor and remove propeller during this time and be in compliance).
- He wasn't aware of any lake that had created this type of ordinance in the past two years

DEP confirmed that the municipality does not have the right to restrict residency on Lake Pocotopaug

**TOWN OF EAST HAMPTON  
AGENDA REPORT**

Town Manager Approval: \_\_\_\_\_

*JW*

Item to be presented by: Jeff Jylkka

DATE: July 13, 2010

SUBJECT: Approval of a Town investment policy statement

DEPARTMENT: Finance

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RECOMMENDED ACTION

The Board of Finance recommends that Town Council approve the attached investment policy statement.

BACKGROUND

The Town of East Hampton has a fiduciary responsibility to protect public funds and to prudently manage our investments in order to achieve the investment objectives of safety, liquidity, and return.

The responsibility to implement the investment policy is the responsibility of the Town Treasurer (as defined in section 7-359). These practices and policies are in accordance with the CT State Statutes and Town Charter. The Town will consolidate cash and reserve balances from all funds to maximize investment earnings if not specifically noted, the Town as a practice will follow State statutes.

The purpose of this document is to specify the policies and guidelines that provide for prudent and productive investment of funds.

ALTERNATIVE ACTIONS

Modification of policy language.

FISCAL IMPACT

None



# Town of East Hampton

## *Investment Policy*

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### **I. Background**

The responsibility to implement the investment policy is the responsibility of the Town Treasurer (as defined in section 7-359). These practices and policies are in accordance with the CT State Statutes and Town Charter.

The Town will consolidate cash and reserve balances from all funds to maximize investment earnings. If not specifically noted, the Town as a practice will follow State statutes.

The Town of East Hampton will consolidate cash balances and reserve balances from all funds to maximize investment earnings, and increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

The Town Finance Director or designee shall act as the investment officer and to invest all funds in accordance with this Policy unless otherwise prohibited.

### **II. Policy Purpose**

The purpose of this document is to specify the policies and guidelines that provide for prudent and productive investment of funds.

### **III. Scope**

This policy applies to the investment of all Town governmental funds and proprietary funds, excluding the investment of employees' retirement funds, proceeds from certain bond issues, as well as fiduciary funds or Private-Purpose Trust & Agency Funds.

### **IV. Investment Objectives**

Investments shall be made in accordance with the following principles in order of priority:

- 1. Safety of principal**
- 2. Liquidity of investment**
- 3. Investment yield**



## A. Safety of Principal

Safety of principal, the primary objective, shall be pursued in a number of ways.

1. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to protect against credit risks and interest rate risk.

### **a. Credit Risk:**

The Town of East Hampton will minimize credit risk, the risk of loss due to the failure of the issuer, by: limiting investments to the safest types of securities, pre-qualifying the financial institutions and advisors with which the Town will do business and diversifying the investment portfolio.

### **b. Interest Rate Risk:**

The Town will minimize interest risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by: structuring investments to mature to meet cash requirements thereby avoiding the need to sell securities prior to maturity and investing operating funds primarily in shorter term securities, money market mutual funds or investment pools.

2. All repurchase agreements shall be fully collateralized, with a custodian bank receiving delivery of the collateral.

## B. Liquidity

The investment portfolio shall be structured to meet all of the Town's cash requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs. Furthermore, since all cash requirements cannot be anticipated, the portfolio should consist largely of securities with secondary markets and investments in local government investment pools and money market mutual funds, which offer same day liquidity.

## C. Yield

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the municipality's liquidity requirements. Return of investment is of secondary importance compared to the safety and liquidity objectives listed above.

The portfolio shall be managed with the objective of exceeding the average of three-month U.S. Treasury Bill rates for the equivalent period. This index is considered a benchmark for near-riskless investment transactions and, therefore, comprises a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with stated risk limitations and prudent investment principles.

**Securities shall not be sold prior to maturity with the following exceptions:**

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

## **V. Standards of Care**

### **A. Prudence**

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviation from expectations are reported in a timely fashion in writing and appropriate action is taken to control adverse developments.

### **B. Ethics**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose in writing to the Town Manager any material financial interests in financial institutions with whom they conduct business. They shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio, particularly with regard to the time of purchase and sales. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of East Hampton.

## **VI. Authorized Financial Institutions, Depositories and Broker/Dealers:**

The list of approved Bank Depositories and Custodians of Town Funds will be maintained at all times. In addition, a list of approved security broker/dealers selected by creditworthiness (e.g. a minimum capital requirement of \$10,000,000 and at least five years of operation) that may include “primary” dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). The

State of Connecticut requires that each bank depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio. All approved depositories, financial institutions and broker/dealers qualified for investment transactions must supply the following as appropriate:

- Audited Financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the Town's Investment policy.
- Evidence of adequate insurance coverage
- Quarterly Public Depository Qualification Forms

## **VII. Safekeeping and Custody**

### **Settlement**

All settlements of investments shall be on a "Delivery Vs. Payment" (DVP) basis. Physical delivery shall be avoided if at all possible, with book-entry being the preferred method of safekeeping.

### **Safekeeping and Collateralization**

All investment securities purchased or owned by the Town shall be held in third-party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the Town listing the specific instrument, rate, maturity and other pertinent information.

## **VIII. Suitable and Authorized Investments**

All investments must be made in securities authorized by CGS 3-24f, 3-27f and 7-403a or in deposits authorized by CGS 7-401 to 402. To further clarify and limit allowable investments, East Hampton has adopted the following investment guidelines:

East Hampton may invest in the following securities and deposits (excludes Loss and retiree benefits reserve fund):

- U. S. Treasury obligations which carry the full faith and credit guarantee of the United States government and are considered to be the most secure instruments available.
- U. S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- Certificates of deposit and other evidences of deposit at financial institution;
- Bankers acceptances;



- Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
- Investment-grade obligations of state, provincial and local governments and public authorities; (e.g., ratings of not less than A by Moody's, A- by Standard and Poor's, or A- by Fitch).
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation. (The State Treasurer's Short-Term Investment Fund established pursuant to CGS 3-27a and the State Treasurer's Tax-Exempt Proceeds Fund established pursuant to CGS 3-24a.)

***Loss and Retiree Benefits Reserve Fund (Compensated Absences Reserve Fund)***

East Hampton may invest in the following securities and deposits:

(1) Not more than forty per cent, or with respect to a reserve fund for retiree benefits for which the budget-making authority has adopted an asset allocation and investment policy, fifty per cent, of the total amount of the reserve fund shall be invested in equity securities, and (2) any portion of such reserve fund not so invested may be invested in: (A) Bonds or obligations of, or guaranteed by, the state or the United States, or agencies or instrumentalities of the United States, (B) certificates of deposit, commercial paper, savings accounts and bank acceptances, (C) the obligations of any state of the United States or any political subdivision thereof or the obligations of any instrumentality, authority or agency of any state or political subdivision thereof, provided at the time of investment such obligations are rated within the top rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (D) the obligations of any regional school district in this state, of any municipality in this state or any metropolitan district in this state, provided at the time of investment such obligations of such government entity are rated within one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (E) in any fund in which a trustee may invest pursuant to section 36a-353, (F) in investment agreements with financial institutions whose long-term obligations are rated within the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner or whose short-term obligations are rated within the top rating category of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, or (G) investment agreements fully secured by obligations of, or guaranteed by, the United States or agencies or instrumentalities of the United States.

**East Hampton shall not invest in the following:**

Investments in "derivative" securities such as futures, swaps, options, interest-only or principal-only mortgage-backed securities, inverse floaters, COFI floaters, and range floaters may not be made. These types of securities can experience high price volatility with changing market conditions, and their market

values may not return to par even at the time of an interest rate adjustment. These restrictions apply to direct investments as well as to investments through custodial arrangements. Thus, if a custodial arrangement, pool or fund includes securities prohibited by this paragraph, the municipality may not invest in shares or other interest in such custodial arrangement, pool or fund.

### **Diversification**

The investment officer shall diversify the municipality's investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual issuers or maturities. Diversification strategies shall include:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investments in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

### **Maximum Maturities**

To the extent possible, the Town shall attempt to match its investments with anticipated cash flow requirements. The dollar-weighted average portfolio maturity (including interest rate reset periods) may not exceed one year; individual maturities may not exceed three years. Reserve funds may be invested in securities exceeding three years if the maturity of such investments coincides as nearly as practicable with the expected use of funds. Investments in securities with maturities in excess of three years should be separately identified and discussed in quarterly investment reports.

A U.S. government or agency security with a variable interest rate that resets no less frequently than annually shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

In calculating the dollar-weighted average maturity (WAM) of the overall portfolio, investments in custodial arrangements, pools or money market funds managed to maintain a constant net asset value due to their high degree of liquidity, should be factored in as having one-day maturities.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as Local Government Investment Pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet on-going obligations.



***Adoption***

This policy and revisions hereto shall be approved by the East Hampton Town Council. Any investment held at the time of this policy's adoption that does not conform to the policy shall be exempted from the requirements of the policy so long as such investment is a permitted municipal investment under Connecticut statutes. At maturity or liquidation of such investment, all proceeds shall be reinvested only as provided by this policy.

Recommended by: East Hampton Board of Finance

June XX, XXXX (Original)

Adoption by: East Hampton Town Council

June XX, XXXX (Original)

## **APPENDIX II**

### **RELEVANT INVESTMENT STATUTES**

Section 3-24a. Tax-Exempt Proceeds Fund created

Section 3-24f. Purchase of investments in Tax-Exempt Proceeds Fund by other state instrumentalities

Section 3-27a. Short Term Investment Fund. Payment of certain interest to board or boards of trustees

Section 3-27f. Investment by Treasurer in participation certificates

Section 7-400. Investment of funds

Section 7-401. Definitions

Section 7-402. Deposit of public money and trust funds

Sec. 7-403a. Loss and retiree benefits reserve fund

Section 36a-33. Commissioner to prepare lists of banks

#### **Protection of Public Deposits**

Section 36a-330. Definitions

Section 36a-333. Collateral requirements

# TOWN OF EAST HAMPTON AGENDA REPORT

Town Manager Approval: JOH

Item to be presented by: \_\_\_\_\_

DATE: July 13, 2010  
SUBJECT: Award Water Supply Plan Update  
DEPARTMENT: Town Manager

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RECOMMENDED ACTION - to accept the bid of Milone and MacBroom, LLC of Cheshire Connecticut to perform the Town's Water Supply Plan update and Sabotage Prevention and Response Plan.

BACKGROUND – On September 21, 2009 the State Department of Health notified the Town that under the authority of the Connecticut General Statutes (CGS) Sections 25-32d-1a through 25-32d-6 of the Regulations of Connecticut State Agencies (RCSA) the Town must revise its August 30, 2006 Water Supply Plan. The entire plan must be revised and submitted by September 21, 2010.

The State has also requested that a separate Sabotage Prevention and Response Plan be submitted under CGS 25-32d(c) at the same time.

On June 22, 2010 the town received complete bids from 8 vendors. See attached Bid Results. Upon review of all bids it is recommended Milone and MacBroom perform this work at a cost not to exceed \$15,500.00. This selection was based upon direct positive experiences the Town has had with the company on several projects of similar scope and size and having the lowest responsive and responsible bid.

ALTERNATIVE ACTIONS – at the discretion of the Town Council

FISCAL IMPACT – The cost for this work will be encumbered and paid for in the 2010 - 2011 Public Water Systems Operation Budget of the Village Center and Royal Oaks Water System accounts 63-59-0000-5330 and 63-59-0590-5330 respectively.

EH: Clerks Office

AGENDA ITEM:

5C

# BID RESULTS

**Project: #62210wat**  
**UPDATE TO WATER SUPPLY SYSTEM**  
**for Town of East Hampton, CT 06424**

COMPANY/CONTACT PERSON	BID AMOUNT	INS.	TAX AFF.	ADD. #1	ADD. #2	COMPLETION SCHEDULE	PROPOSAL COMPLETE/ UNDERSTANDS PROJECT	COMMENTS
Milone & MacBroom Julie A. Maru	\$13,500.00	√	√	√	√	9/30/10	yes	Add: \$2,000 (Sabotage Prevention & Response Plan)
Lenard Engineering, Inc. Jim Ericson, PE	\$20,800.00	not rec'd	√	√	√	3 months	yes	Reduce Bid to \$18,000 (if current water plan is in AutoCAD)
Tata & Howard Inc. Tom Hansen	\$22,600.00	not rec'd	not notarized	not rec'd	not rec'd	9/24/10	yes	one revision after State review
Geo Insight, Inc. Rose Gavrilovic	\$23,500.00	not rec'd	√	√	√	9/23/10 (to Town & State)	yes	worked with us on water project previously
Woodard & Curran Jay G. Sheehan	\$29,600.00	√	√	√	not rec'd	3 months	yes	
Weston & Sampson Engineers, Inc. Sheri Baczanski	\$29,800.00	not rec'd	√	√	√	9/23/10 (to State)	yes	Add: \$4,000 (compiling/digitizing land use info); \$2,500 (drought response plan); \$4,500 (source protection plan); \$10,000 (financial planning study)
Maguire Group Inc Brian McLearn	\$49,422.75	not rec'd	√	not rec'd	√	9/27/10	yes	will charge for mileage & reproduction
Tighe & Bond, Inc. Jessica A. Frey	\$59,900.00	√	√	√	√	9/20/10	yes	proposal amount is based on receiving editable version from Town

**Nancy Hasselman, CCMC  
Collector of Revenue  
Town of East Hampton**

July 8, 2010

To: The East Hampton Town Council

Please find copies of tax refunds for your review. The total refunds equal \$386.51.

Thank you for your assistance.

*Nancy Hasselman, CCMC*

Nancy Hasselman, CCMC  
Collector of Revenue

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338 • 78 +  
386 • 51 \*